

District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-141  
Revised October 10, 2003  
Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

Name of Company	CHESAPEAKE OPERATING, INC.	Contact	BRADLEY BLEVINS
Address	P. O. BOX 190 HOBBS, NM 88241	Telephone No.	505-391-1462
Facility Name	Gilmore #24-1	Facility Type	Producing Well
Surface Owner	Mineral Owner	Lease No.	

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	24	16S	36E	2130	NORTH	607	EAST	LEA

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**NATURE OF RELEASE**

Type of Release	Produced Water	Volume of Release	60 BBLS	Volume Recovered	52 BBLS
Source of Release	A valve froze and popped the ball valve	Date and Hour of Occurrence	1/4/08 7:00 A.M.	Date and Hour of Discovery	1/04/08 9:00 A.M.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Richards			
By Whom?	Cliff Brunson	Date and Hour 1/4/08 2:30 P.M.			
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse			

**RECEIVED**

FEB 12 2008

**HOBBS OCD**

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*  
A valve freeze and popped the ball valve releasing produced water inside the tank battery containment. Vacuum trucks dispatched to recover as much of the produced water as possible

Describe Area Affected and Cleanup Action Taken.\*  
52 BBLS of produced water was recovered. Soil remediation activities commenced. Soil was excavated, sampled, and backfilled upon approval from NMOCD. Approval to backfill received from Chris Williams of NMOCD via e-mail on 1/16/08. Site was completed on 1/22/08. Sampling data attached.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Cliff P Brunson</i> for Chesapeake Operating, Inc.		<b>OIL CONSERVATION DIVISION</b>	
Printed Name: CLIFF P. BRUNSON		Approved by District Supervisor: <i>Chris Williams</i>	
Title: PRESIDENT	Approval Date: <i>2/12/08</i>	Expiration Date: <i>2/12/08</i>	
E-mail Address: CBRUNSON@BBCINTERNATIONAL.COM	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 2/10/08	Phone: 505-397-6388		

\* Attach Additional Sheets If Necessary

*RP-1713*  
*PAC0801737243*



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR**  
**BBC INTERNATIONAL, INC.**  
**ATTN: CLIFF BRUNSON**  
**P.O. BOX 805**  
**HOBBS, NM 88241**  
**FAX TO: (575) 397-0397**

Receiving Date: 01/14/08  
 Reporting Date: 01/15/08  
 Project Owner: CHESAPEAKE  
 Project Name: GILMORE 24-1  
 Project Location: LOVINGTON, NM

Analysis Date: 01/14/08  
 Sampling Date: 01/12/08  
 Sample Type: SOIL  
 Sample Condition: COOL & INTACT  
 Sample Received By: ML  
 Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/kg)
H14071-1	SP1 @ 9-11 IN	256
H14071-2	SP2 @ 9-11 IN	224
H14071-3	SP3 @ 2 FT	64
H14071-4	SP4 @ 2 FT	96
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHOD: Standard Methods 4500-ClB

Note: Analyses performed on 1:4 w:v aqueous extracts.

*Christina Anderson*  
 Chemist

01/15/08  
 Date

H14071 BBC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



# CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240  
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

BBC INTERNATIONAL

RECEIVED 01/15/2008 03:23 5053970397

Company Name: <b>BBC International</b>		BILL TO		ANALYSIS REQUEST																													
Project Manager: <b>Cliff Brunson</b>		P.O. #:																															
Address: <b>1324 W. Marland</b>		Company:																															
City: <b>Hobbs, NM</b> State: <b>NM</b> Zip: <b>88240</b>		Addr:																															
Phone #: <b>(505) 397-6389</b> Fax #:		Address:																															
Project #:		City:																															
Project Name: <b>Gilmore 24-1</b>		State: Zip:																															
Project Location: <b>Lawton, NM</b>		Phone #:																															
Sampler Name: <b>Veff Ornelas</b>		Fax #:																															
FOR LAB USE ONLY																																	
Lab I.D.		Sample I.D.		MATRIX				PRESERV.		SAMPLING																							
				WASTEWATER		SOIL		CRUDE OIL		SLUDGE		OTHER:		ACID/BASE:		ICE / COOL		OTHER:		DATE		TIME											
H14071-1		SP1 @ 9-11 in		B 9-11		X								X		1-12-08		9:30						Chlorides									
-2		SP2 @ 9-11 in		B 9-11		X								X		1-12-08		9:50															
-3		SP3 @ 2ft		B 9-11		X								X		1-12-08		10:01															
-4		SP4 @ 2ft		B 9-11		X								X		1-12-08		10:12															

PLEASE NOTE: Liability and Detection Certificate liability and other unknown liability for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the services. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. Ance must read Certificate of Work for Environmental or Occupational Sampling, including without limitation, business interruption, time of use, or loss of profits incurred by client, in accordance with the conditions and terms of the contract to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated causes or otherwise.

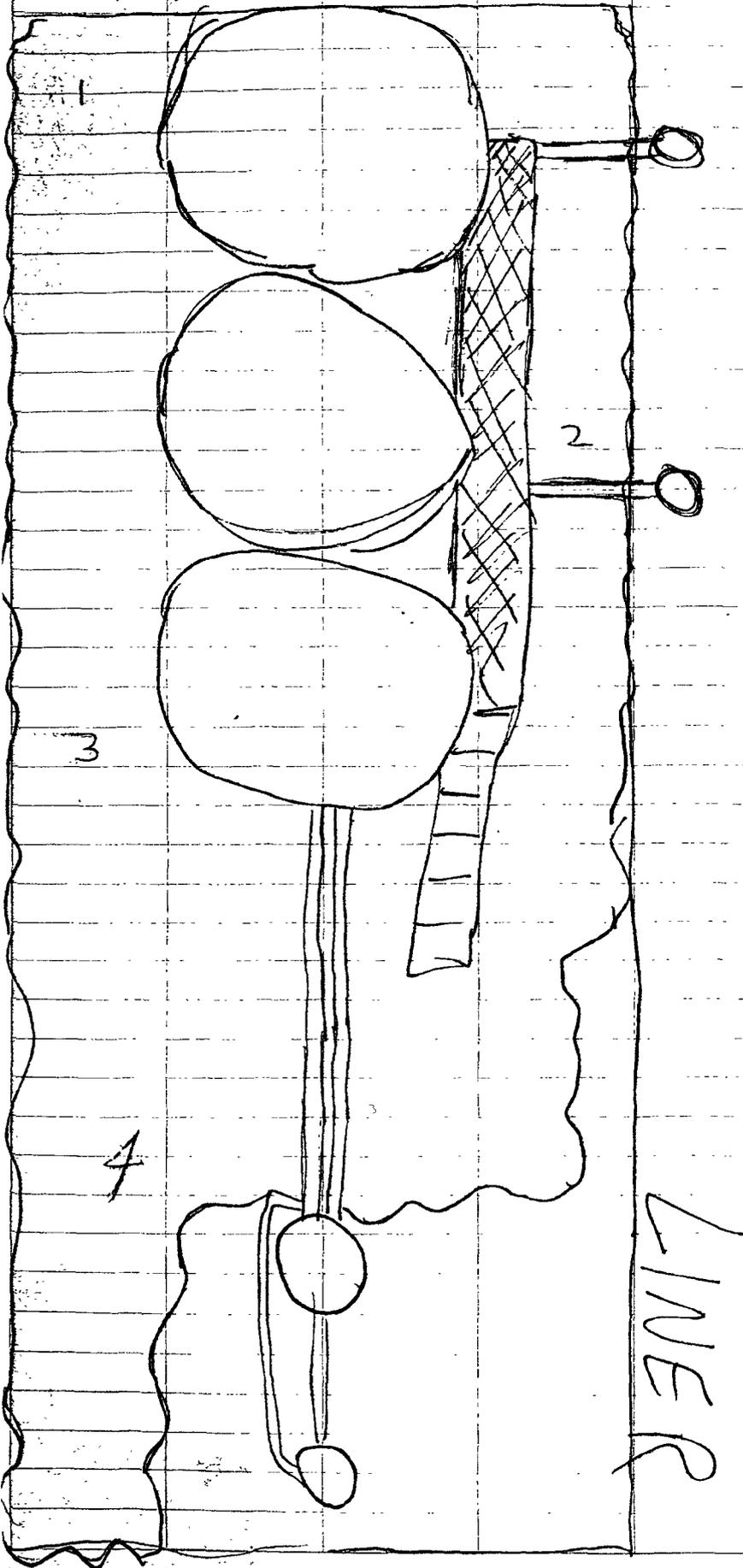
† Terms and Conditions: Lab will be charged an amount more than 30 days past due at the rate of 3% per month from the original date of billing, and all costs of collection, including attorney's fees.

Sampler Relinquished By: <b>Veff Ornelas</b>		Date: <b>1-14-08</b>		Received By: <b>Nety LeBut</b>		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Phone #:	
Relinquished By:		Time: <b>10:22</b>		Received By: (Lab Staff)		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Fax #:	
Delivered By: (Circle One) <input checked="" type="checkbox"/> Sampler <input type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other:		Date:		Time:		REMARKS:			
Sample Condition Cool <input type="checkbox"/> Intact <input type="checkbox"/>		CHECKED BY: (Initials)							
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No		<b>MCAB</b>					

† Cardinal cannot accept verbal changes. Please fax written changes to 506-393-2476.

Cherapale / Gilyore # 29-1

1-2-08



W